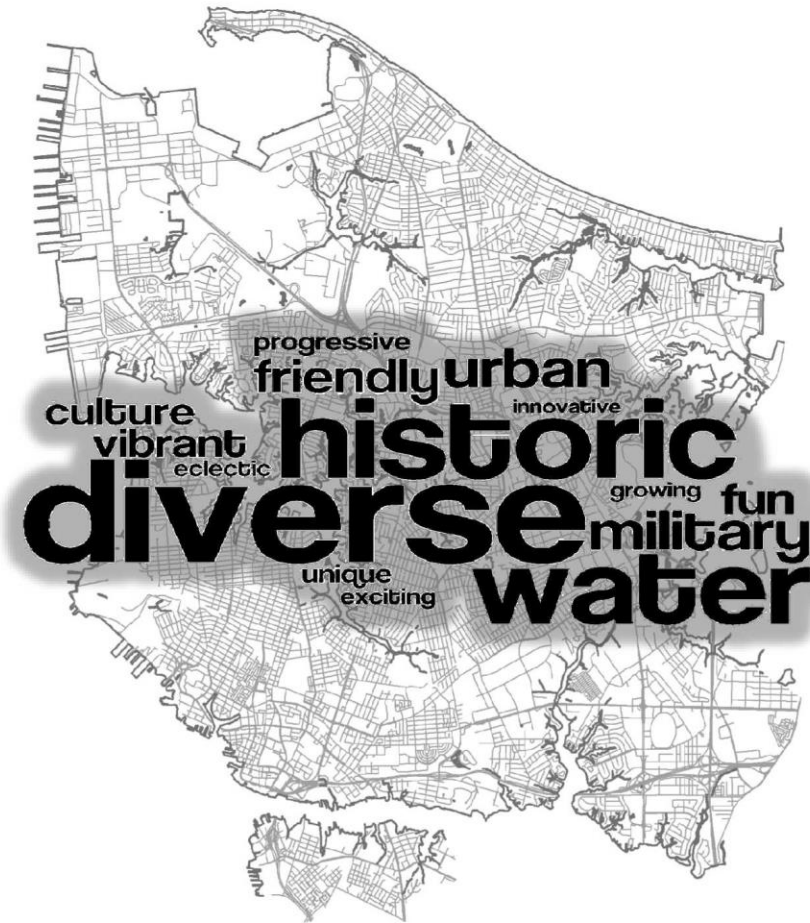


**PROPOSED
FISCAL YEAR 2016 BUDGET
CITY OF NORFOLK, VA**

**BUILDING A
RESILIENT CITY**

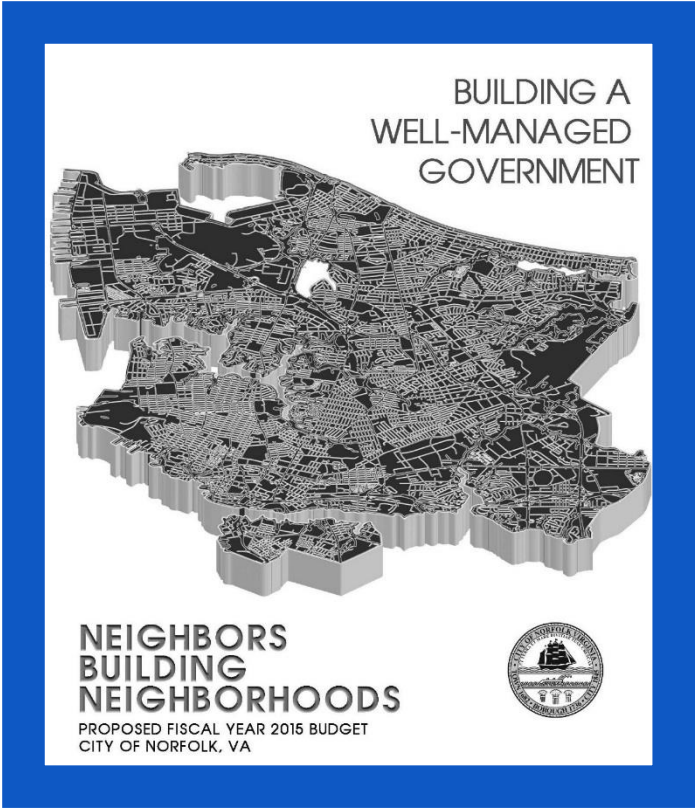
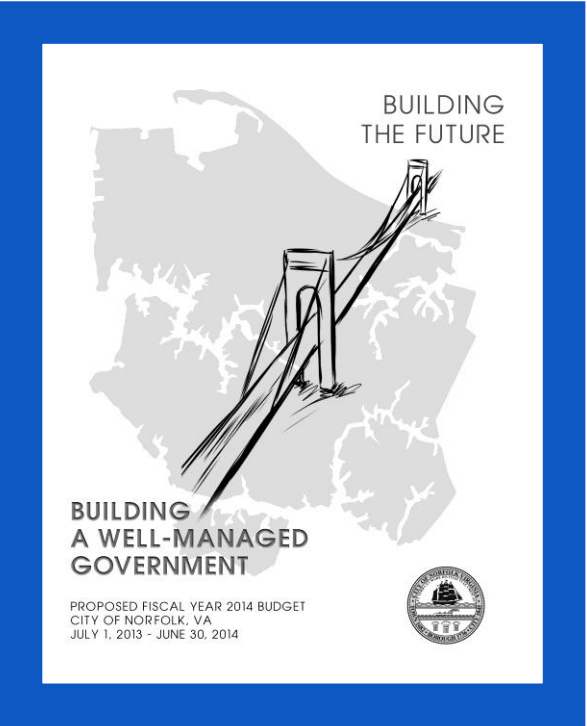
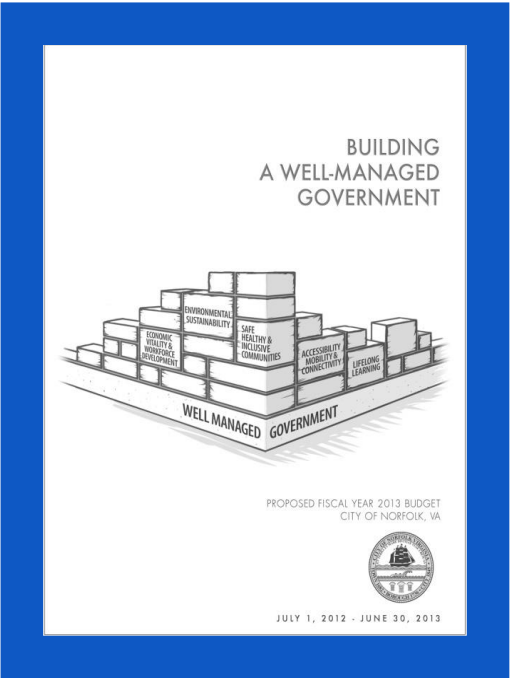
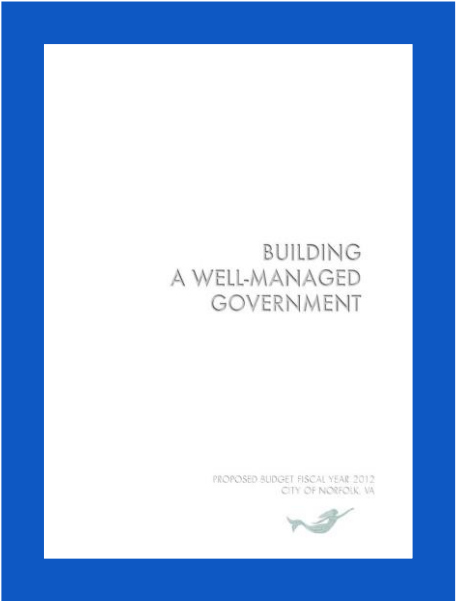


**BUILDING A
WELL-MANAGED
GOVERNMENT**

PROPOSED FISCAL YEAR 2016 BUDGET
CITY OF NORFOLK, VIRGINIA



Staying Focused on the Vision



Norfolk is...



Our Vision: Knowing who we are

Norfolk is an amazing place, a vibrant and historic port city where culturally diverse citizens, the military, and businesses are creating the most dynamic and authentic urban waterfront community in America

Vision sets the tone

Priorities guide implementation

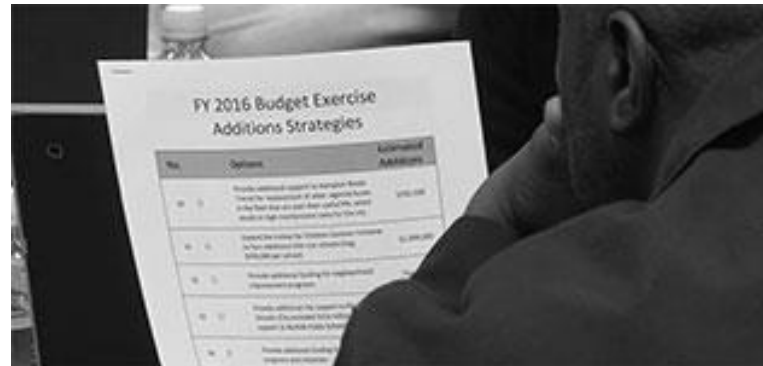
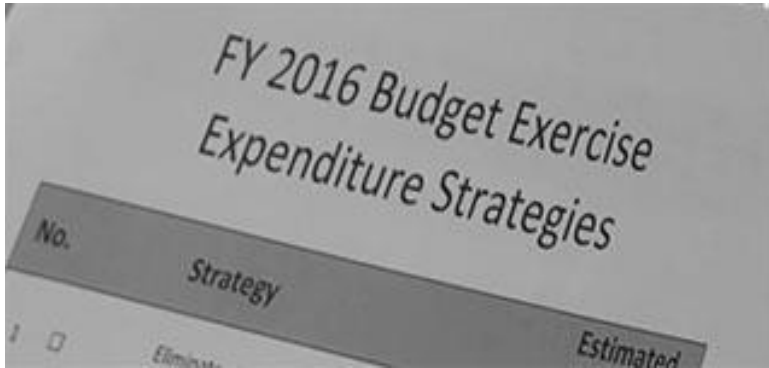


Established, September 2011

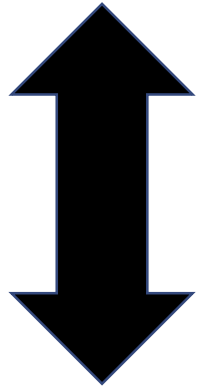
Commitments to Council based on Priorities

- ➔ **Keep financial house in order:** Well-Managed Government
- ➔ **Address compensation:** Well-Managed Government
- ➔ **Support neighborhood development:** Safe, Healthy, and Inclusive Communities and Economic Vitality and Workforce Development
- ➔ **Focus on education priorities:** Lifelong Learning
- ➔ **Implement recommendations of the Poverty Commission:** Most Priorities

We Engaged the Community and our Employees to gather input

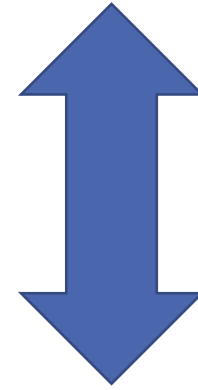


Challenges



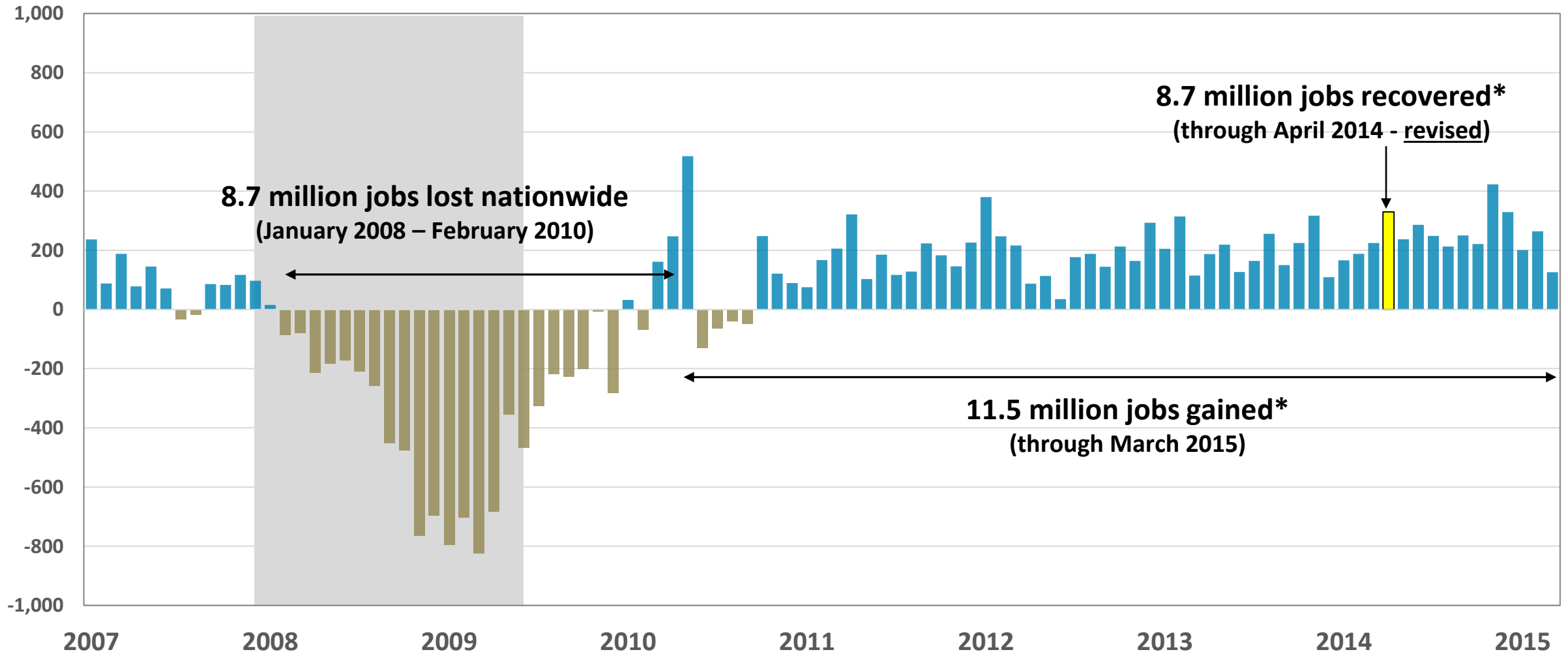
Economic Backdrop

Opportunities



Competitive Advantages

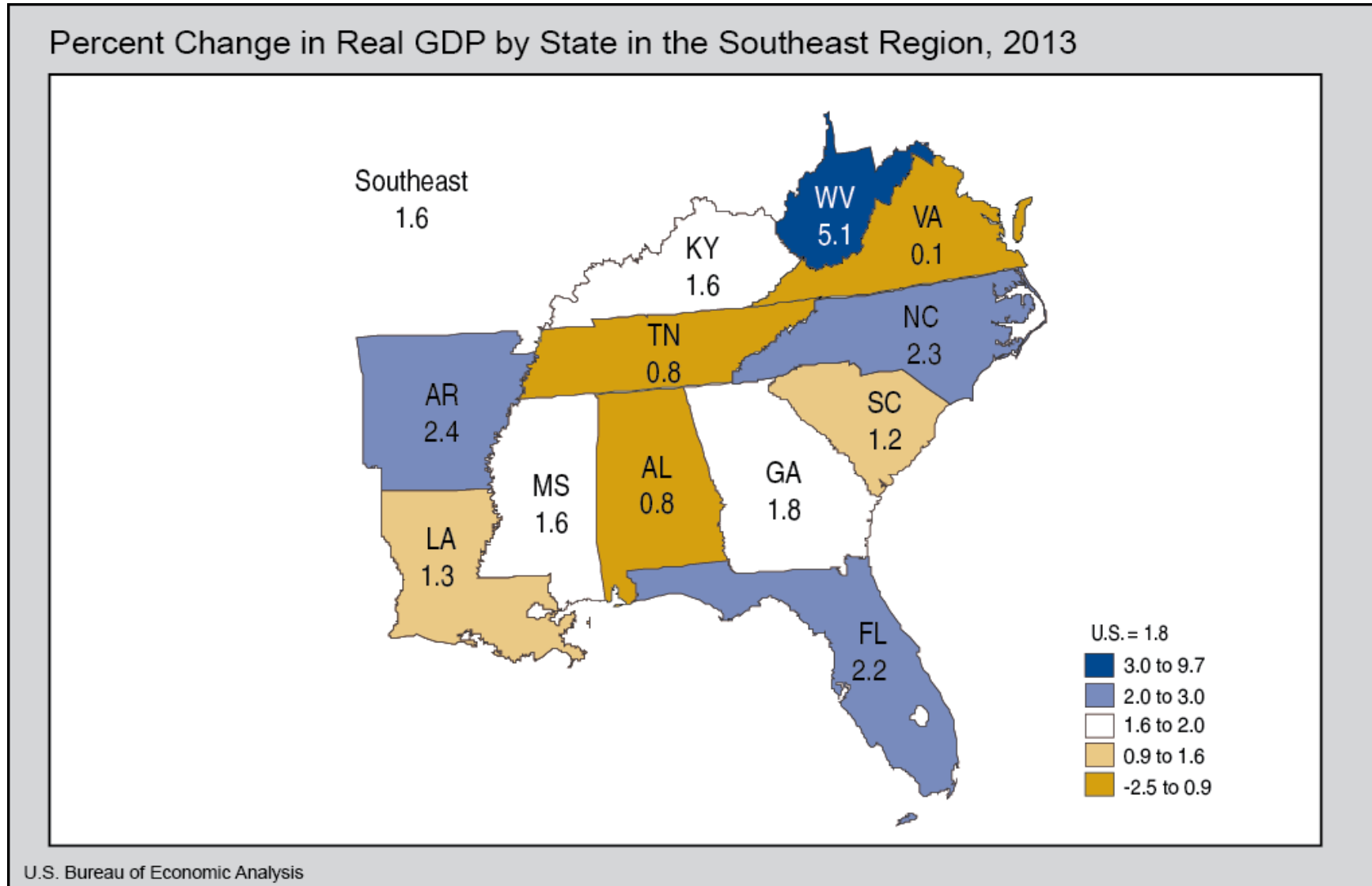
Worst Recession Since the Great Depression



* U.S. Bureau of Labor Statistics revised figures in February 2015 as a result of the annual benchmarking process

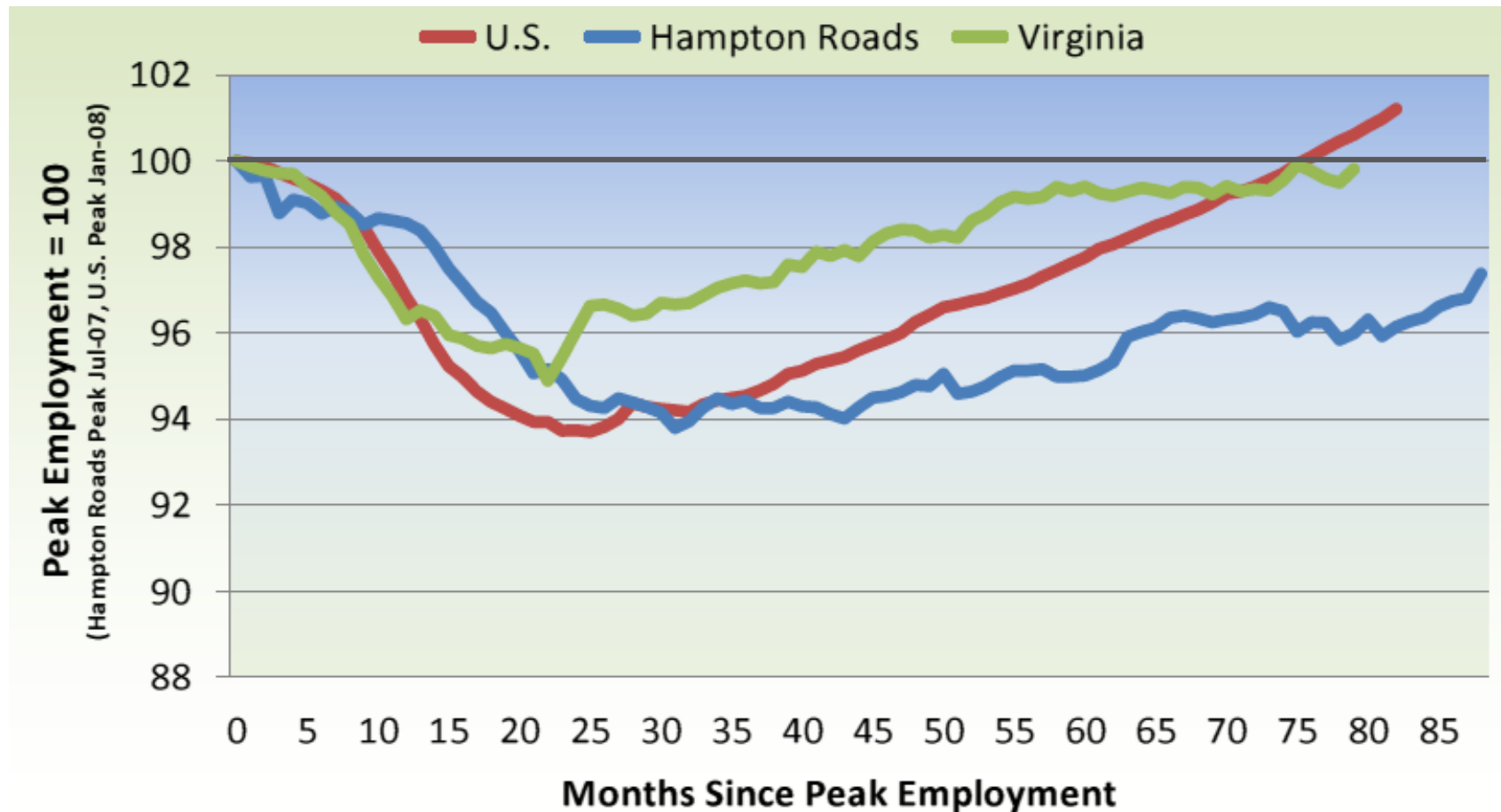
Source: U.S. Bureau of Labor Statistics, data are seasonally adjusted. Shaded area denotes recession.

Virginia Gross Domestic Product is increasing slower than other states



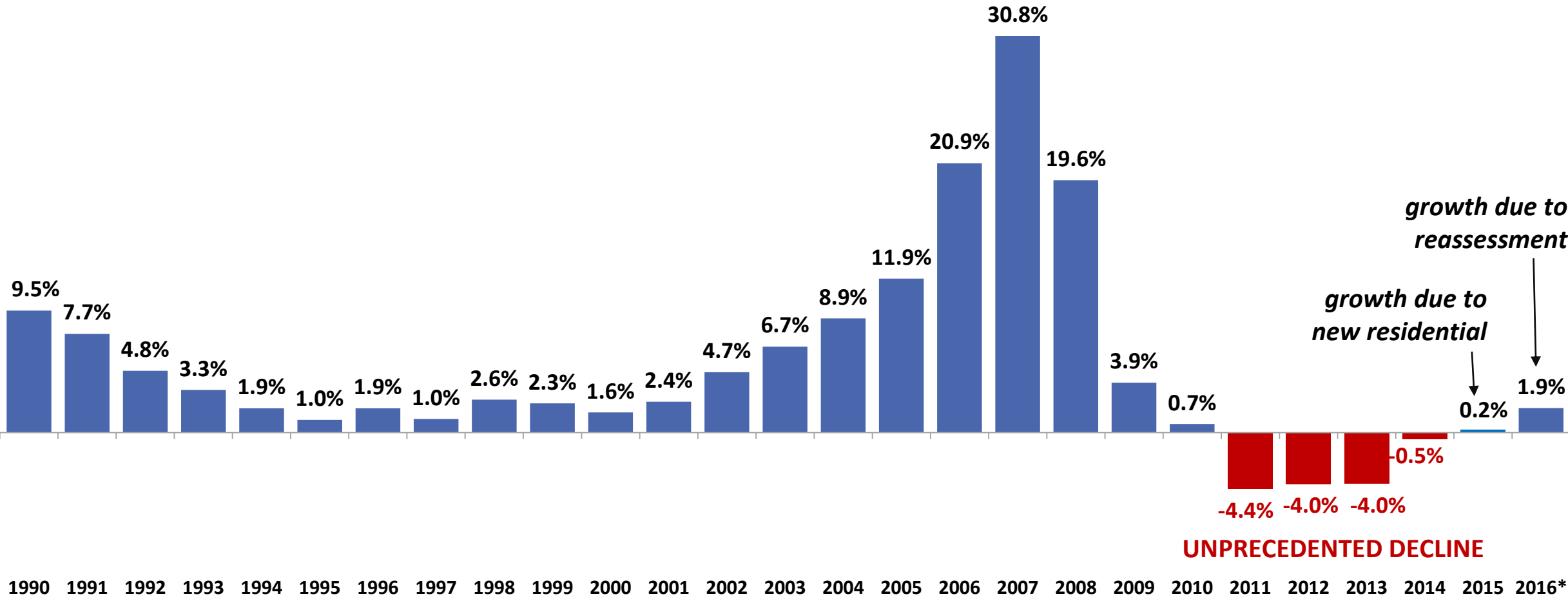
Hampton Roads Economic Recovery Trailing the Commonwealth and U.S

RECESSION RECOVERY IN THE U.S., VIRGINIA AND HAMPTON ROADS
MEASURED BY THE PERCENTAGE OF TOTAL JOBS RESTORED, 2007-2014



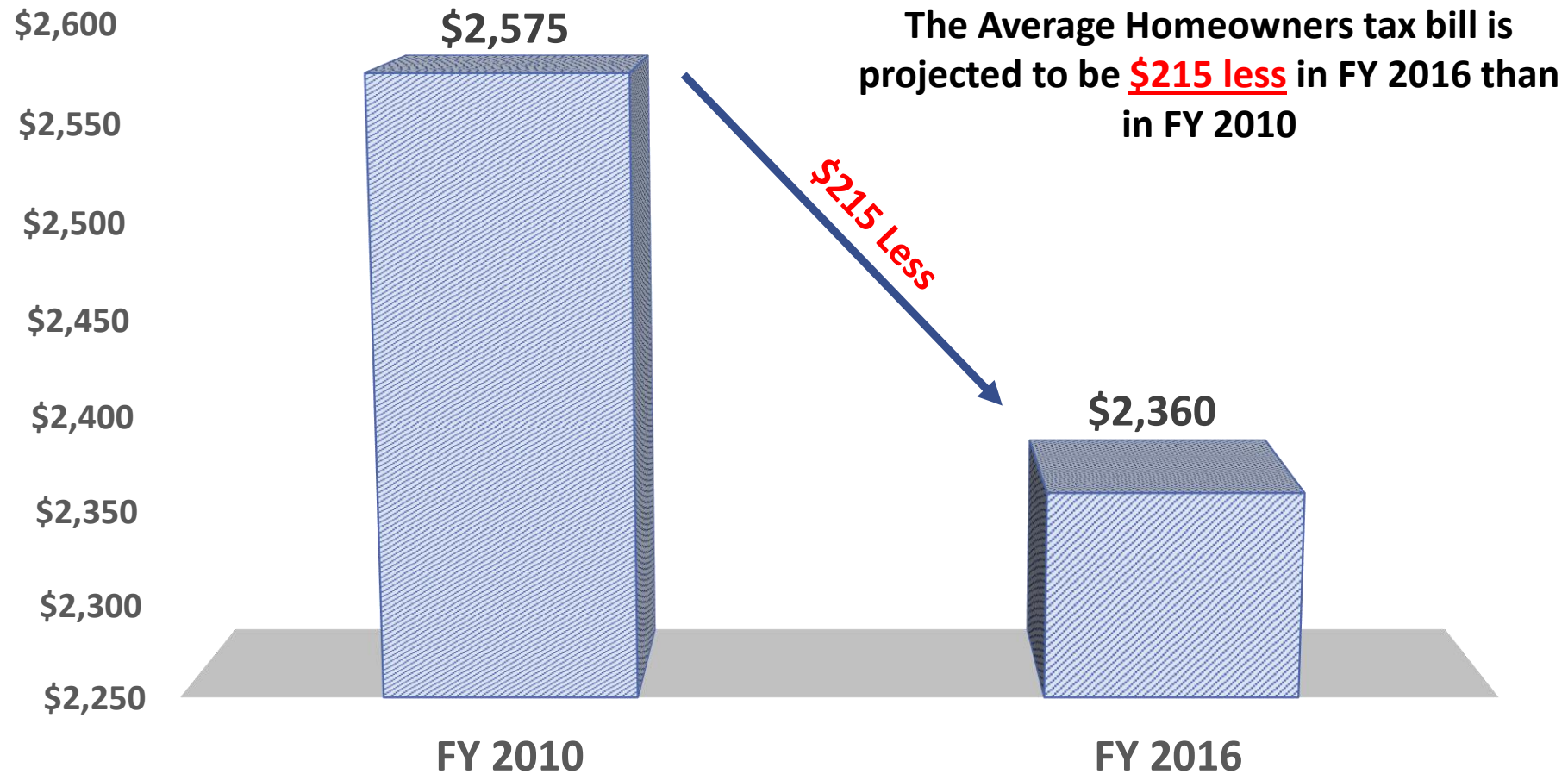
Sources: Hampton Roads Planning District Commission (2015 Regional Economic Forecast)

Norfolk has not fully recovered from the decline in residential assessments



* FY 2016 estimate

Average Homeowner's Tax Bill



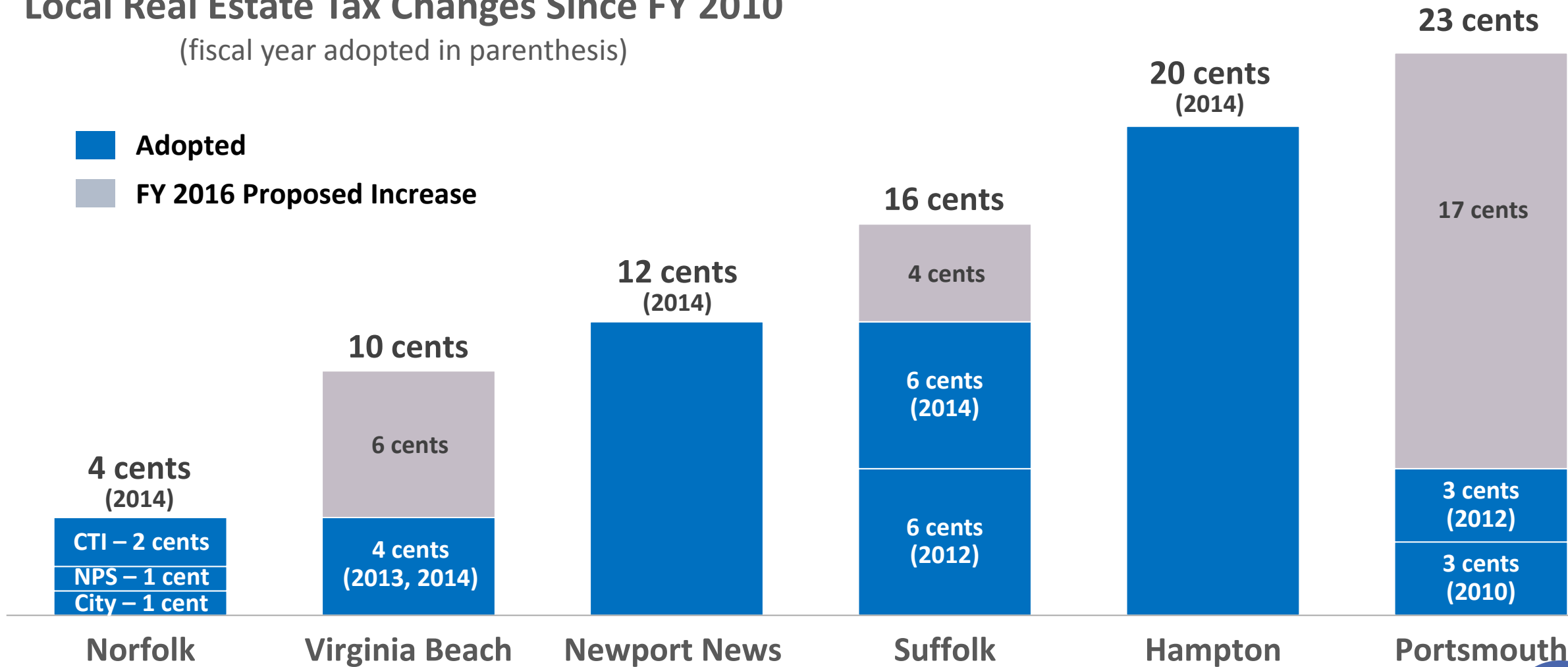
Note: Amounts rounded to the nearest dollar and may not sum to total due to rounding.

* Based on estimate of residential assessments (including condominiums) from Real Estate Assessor

Cities Have Raised This Major Revenue Source to Address Budget Imbalances

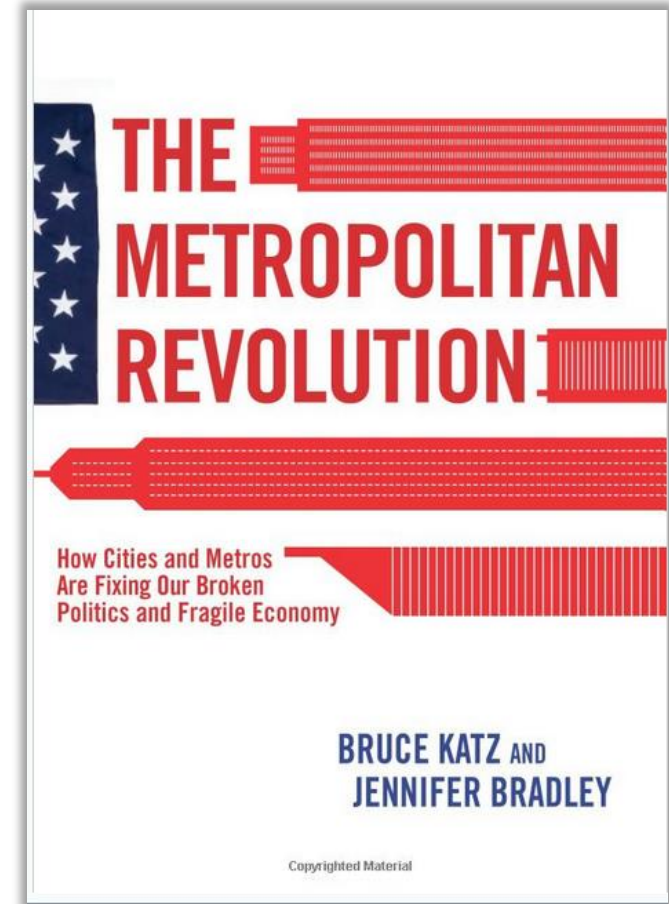
Local Real Estate Tax Changes Since FY 2010

(fiscal year adopted in parenthesis)



Cities in the Commonwealth were designed to Compete

- Dillon Rule State
- Importance of Locally Raised Revenue to support city services



“The many governments within a single metropolitan area are almost designed to fight among themselves because state law makes them largely dependent on locally raised tax revenues...People, pies, cars, rails, and the nebulous entity known as the economy might flow seamlessly across local boundaries, but sales and property tax dollars rarely do.”

— Bruce Katz, *The Metropolitan Revolution: How Cities and Metros are Fixing our Broken Politics and Fragile Economy*

Norfolk's Competitive Advantage – The Urban Core of the Region



Authentic
Urban
Experience

Center for
Commerce



Arts and
Cultural Hub

Neighborhood
Revitalization



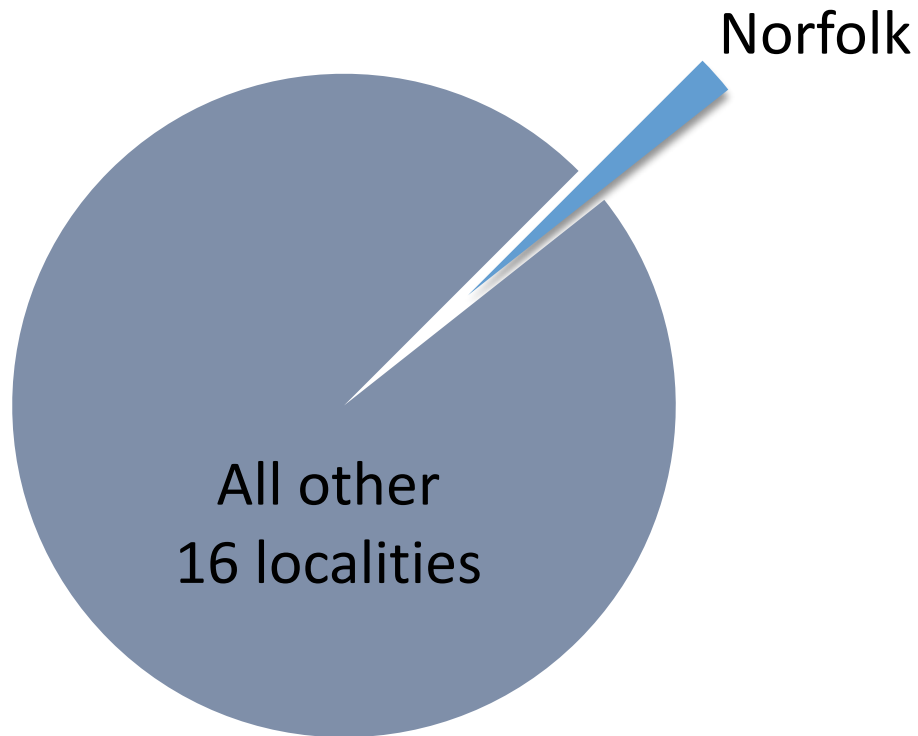
Authentic Urban Experience: High Density Living

- Highest in the Hampton Roads region
- More than 4,500 people per square mile
- Walkable Communities
- Multi Modal City



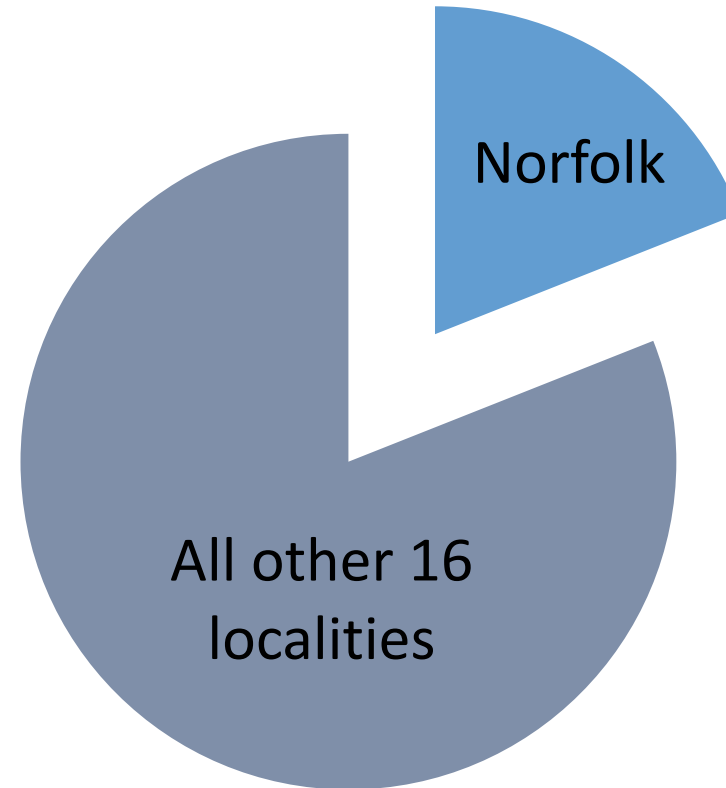
Center for Commerce: High Concentration of Jobs

Square Miles



Hampton Roads Area
in Square Miles = 2,907

Employment



Hampton Roads Area
Employment = 718,263

Arts and Culture - A world class destination



Attucks Theatre



Botanical Garden



Chrysler Museum



Wells Theatre



Chrysler Hall



Governor's School



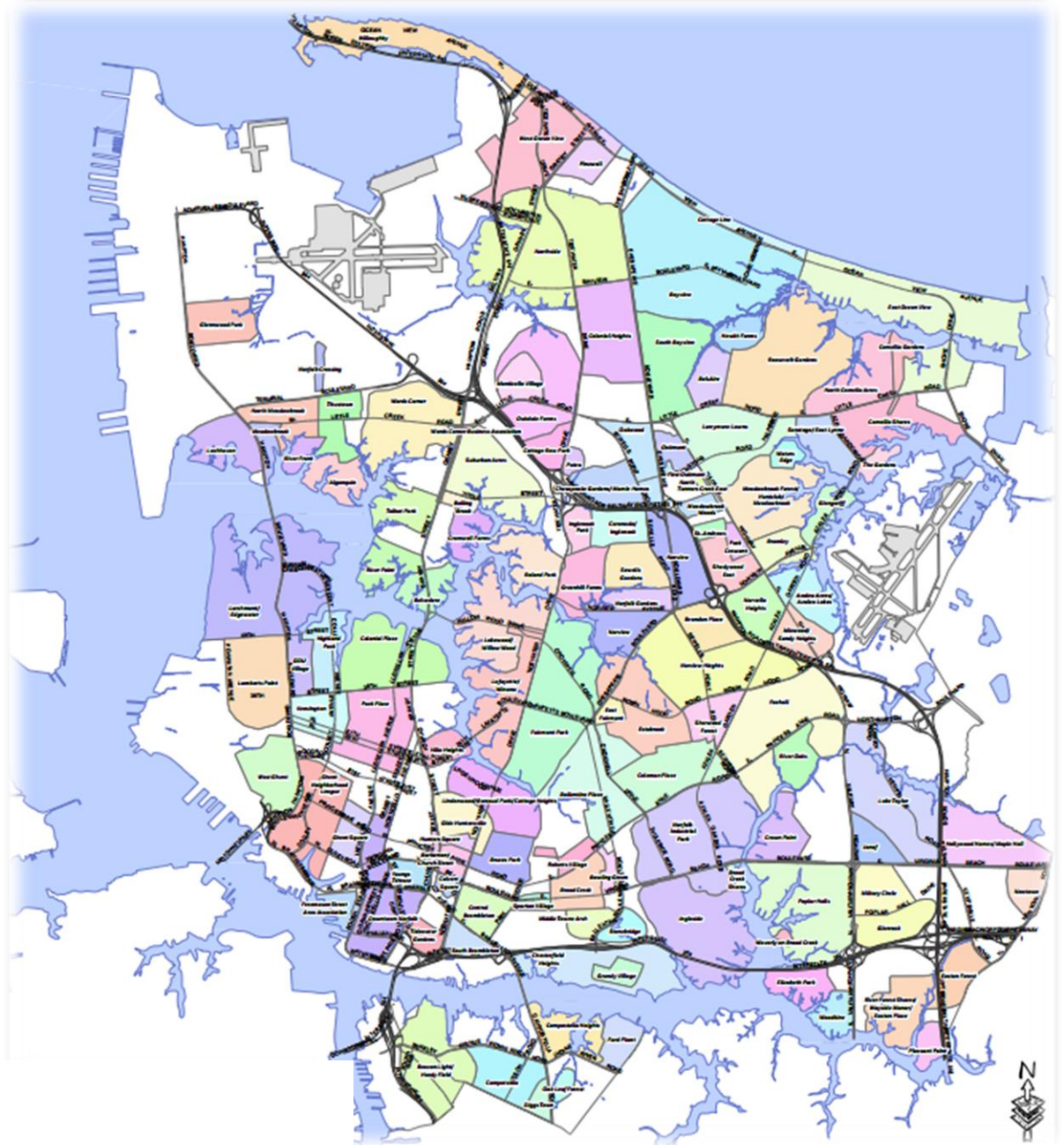
Virginia Zoo



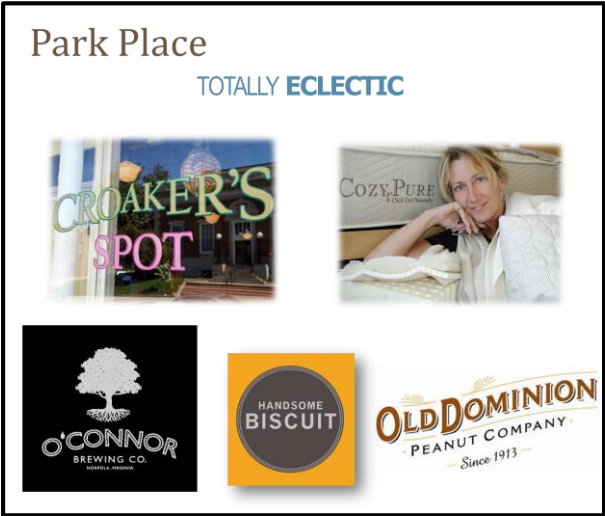
McArthur Memorial

Neighborhood Revitalization

*At its heart
Norfolk is a city of neighborhoods-
over 120 distinctive communities that
people call home*



One Community – 120 Neighborhoods Strong



Continuing the Momentum

FY 2016 Budget Highlights



Structurally Balanced – Reserves are untouched



Compensation increases for employees



Support neighborhoods across the city



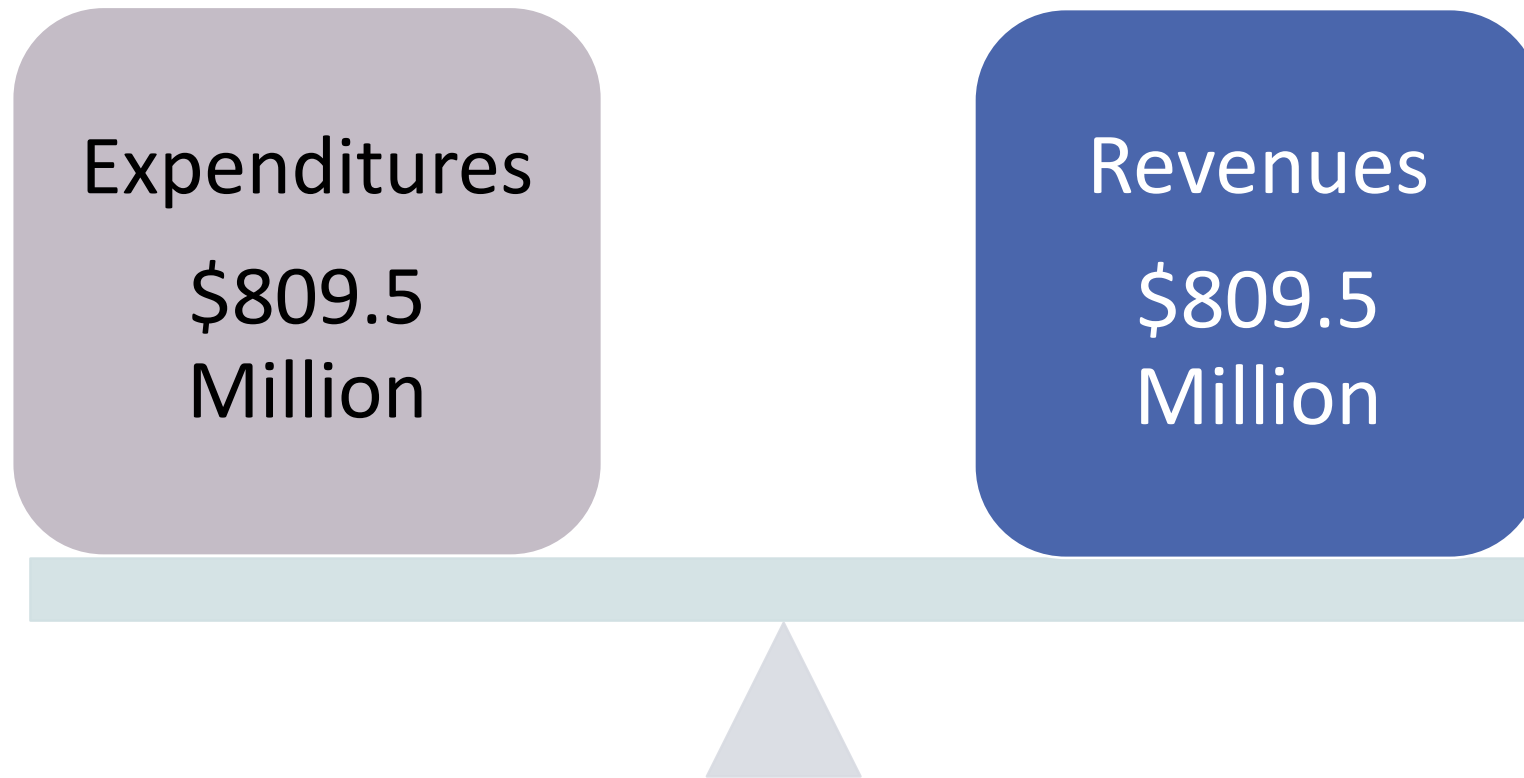
Followed through on commitment to school construction,
and maintained funding for Norfolk Public Schools



Continued funding for recommendations of Poverty
Commission

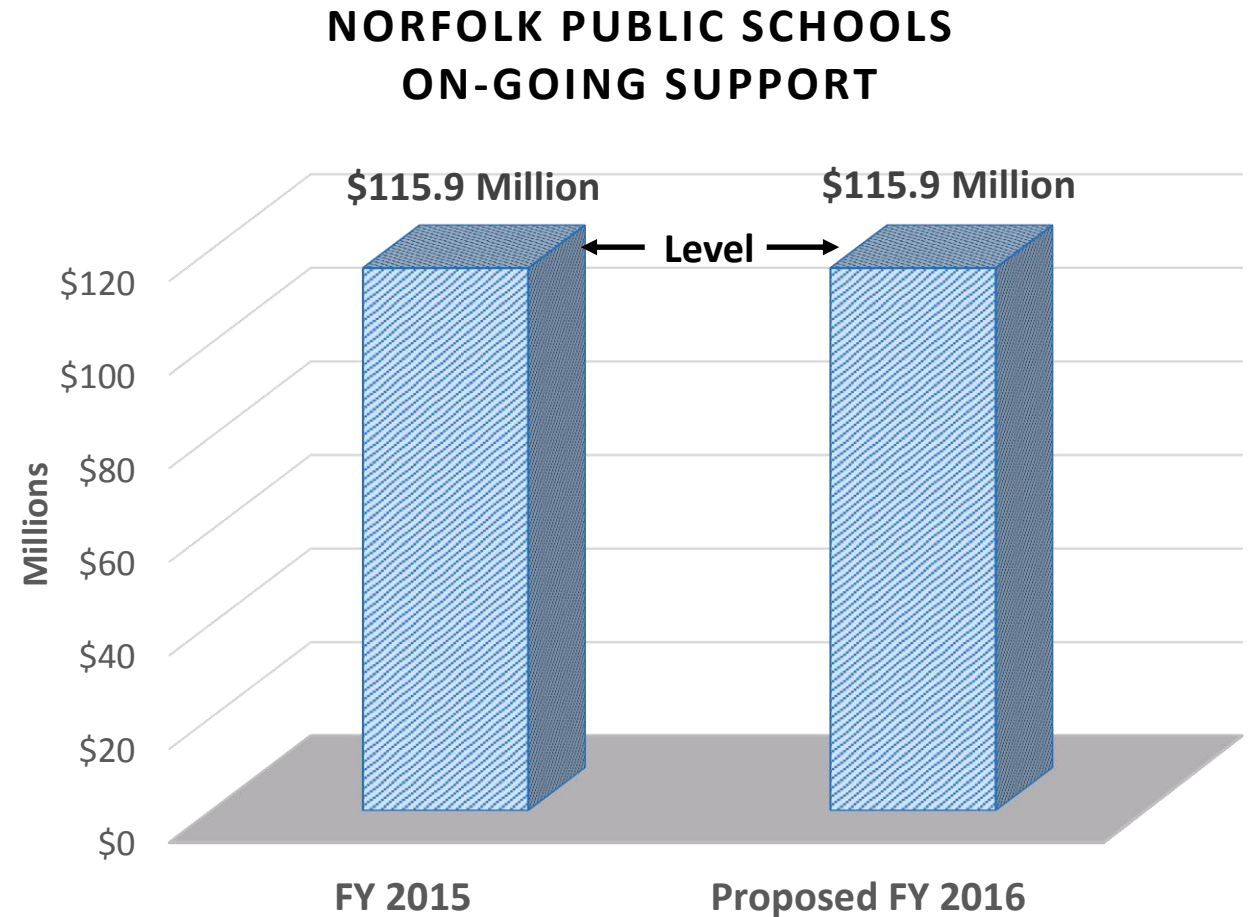
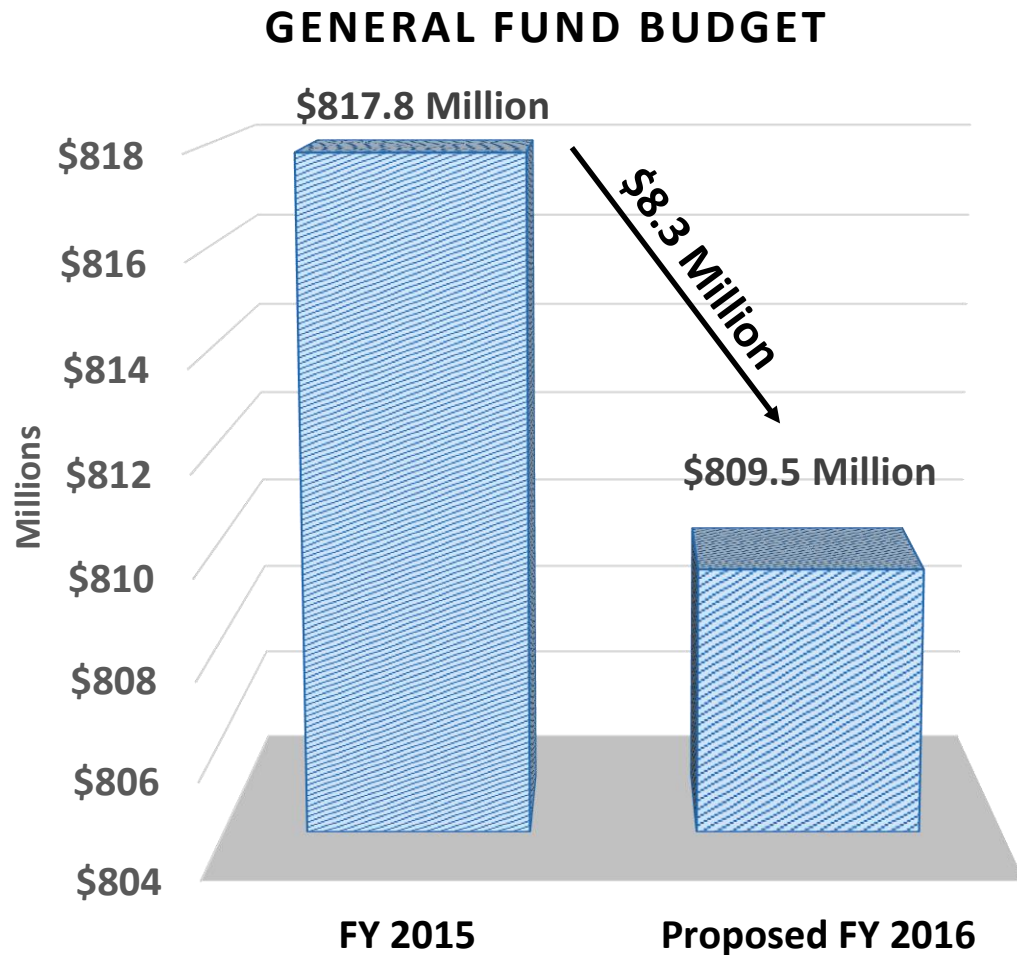
Proposed FY 2016 is Structurally Balanced

Second consecutive year



FY 2016 Proposed Budget

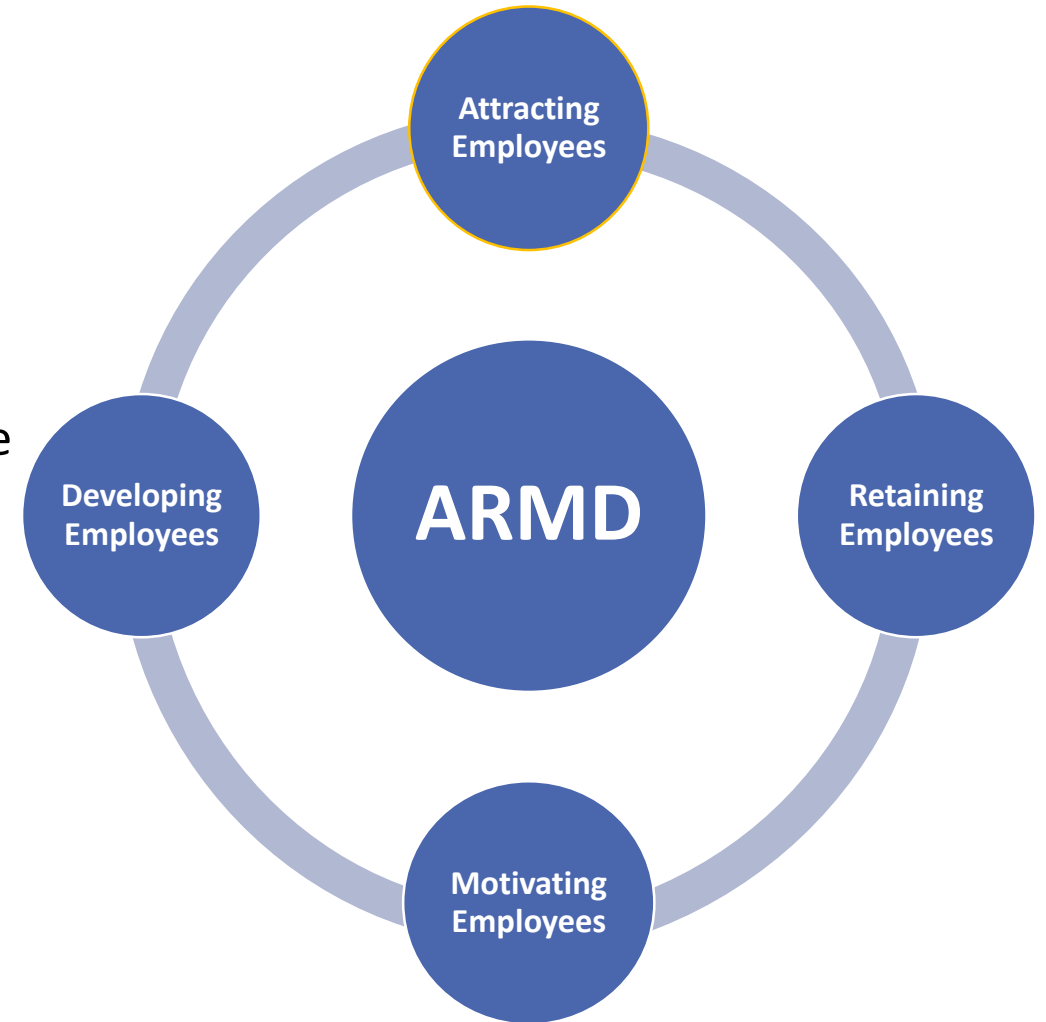
The General Fund Budget is less than last year with level funding for Norfolk Public Schools



Attract, Retain, Motivate, and Develop Employees - Phase II

The Proposed FY 2016 Budget will Provide:

- A step increase for sworn Police, Fire-Rescue and Sheriff employees
- A two percent increase for all general employees and a three percent increase for 1000 employees in the lowest general employee pay grades
- Salary range adjustments for 45 of the city's most regionally out-of-market classifications
- An adjustment to the living wage to match the change in Federal Poverty Level
- A \$300 supplement for eligible retirees



Support Neighborhoods across the city

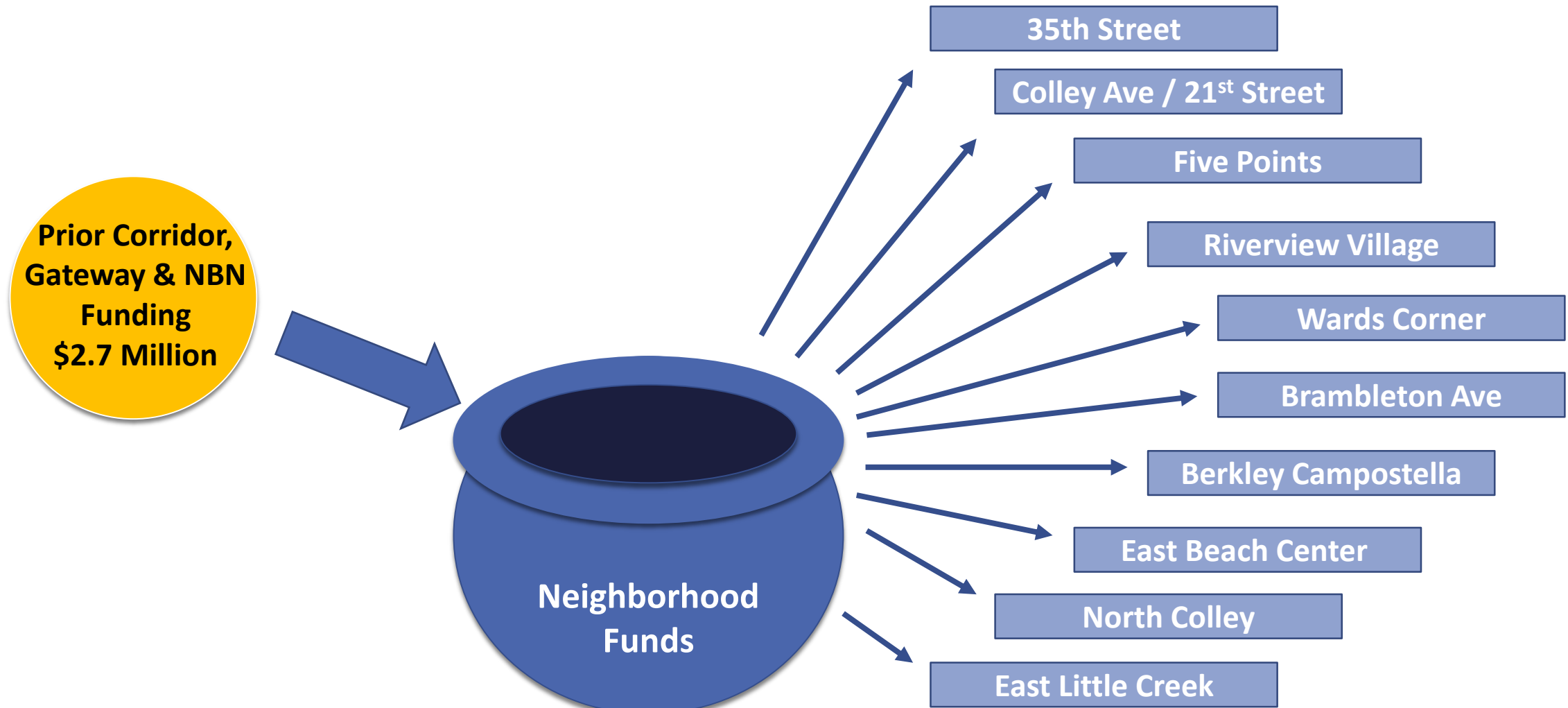
**Build On
FY 2015 Budget**

**Maximize CDBG
Funds**

**Increase
Funding for
Infrastructure**

**Create
Economic
Development
Opportunities
Throughout the
City**

Building on the FY 2015 Budget



Increase Funding for Neighborhood Infrastructure

The Proposed FY 2016 Capital Improvement Plan builds on FY 2015 Initiatives:

Doubles

planned funding for neighborhood street improvements

Doubles

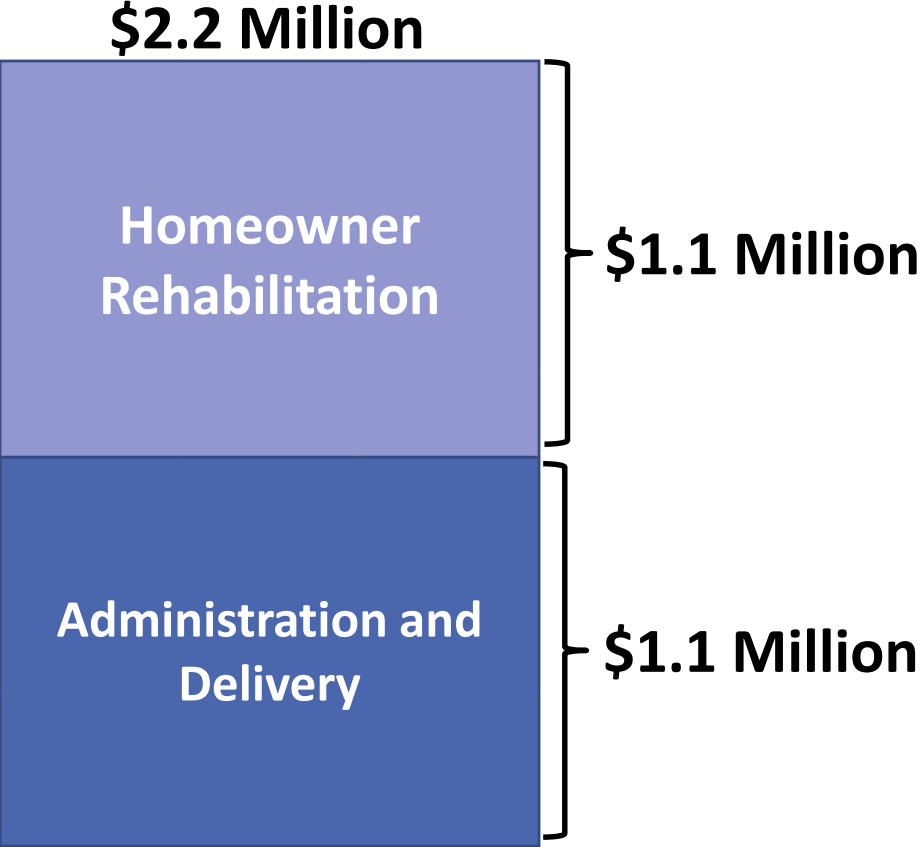
planned funding for neighborhood street and sidewalk repairs

Triples

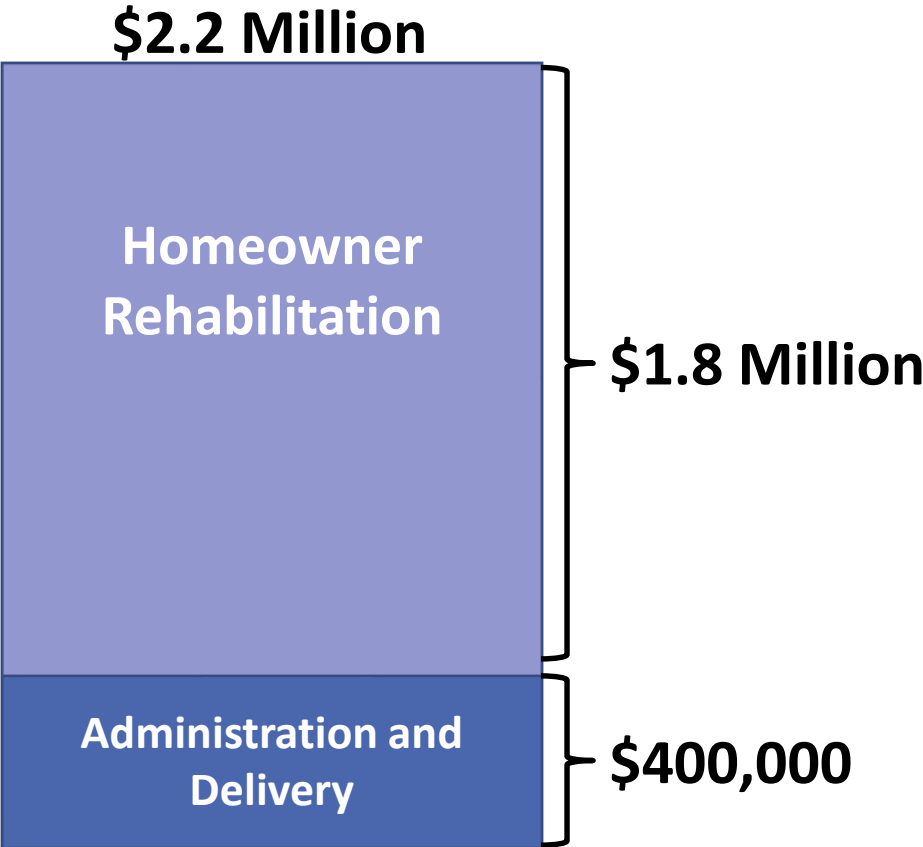
planned funding for the neighborhood complete streets initiative

Maximize the Impact of CDBG funds in our Neighborhoods

Previously



Proposed FY 2016



Crisis Intervention Team (CIT)

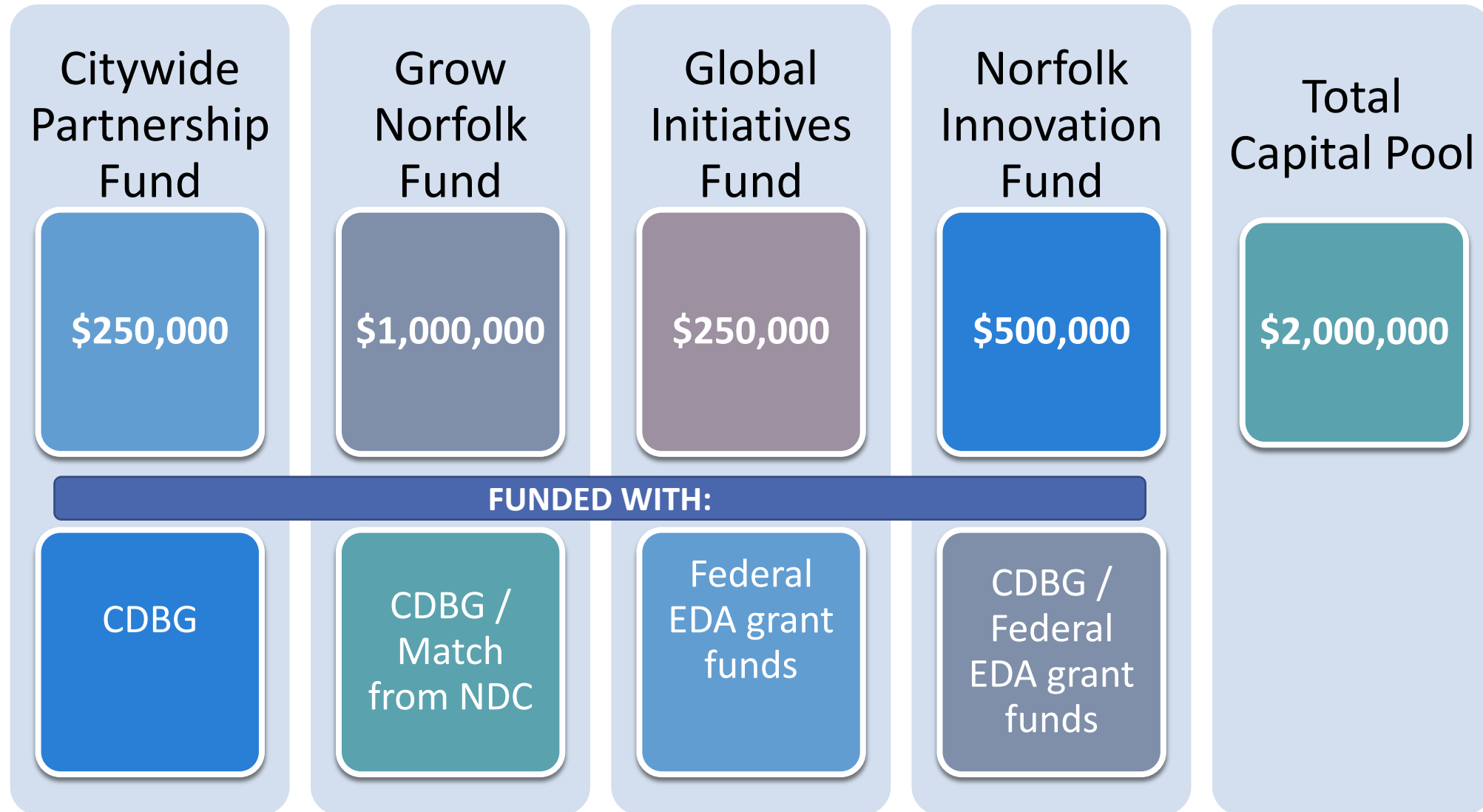
- On track to train over 200 Officers by end of FY 2015
- Training Initiative will continue until all officers are trained
- Norfolk Police Department has instituted the CIT roving patrol
 - Allows CIT trained officers to respond to calls involving psychiatric issues
- CIT Assessment Center is open
 - Will allow Police Officers to drop off patients and return to patrol
- FY 2016 Proposed Budget includes \$223,000 for Emergency Services Counselors, and Police overtime



Neighborhood Economic Development – Our Goal

- **Create:** Thriving commercial areas
Successful neighborhood businesses
Equitable access to quality jobs throughout the city
- **Through:** Leveraging funding sources
Innovative development strategies
Supporting our entrepreneurs
- **First Steps.....**

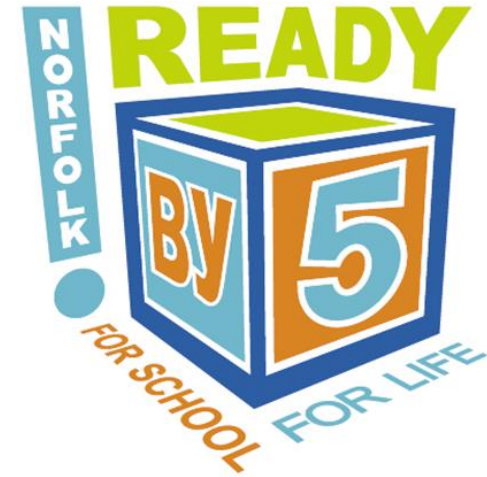
Create Economic Development Opportunities throughout the City



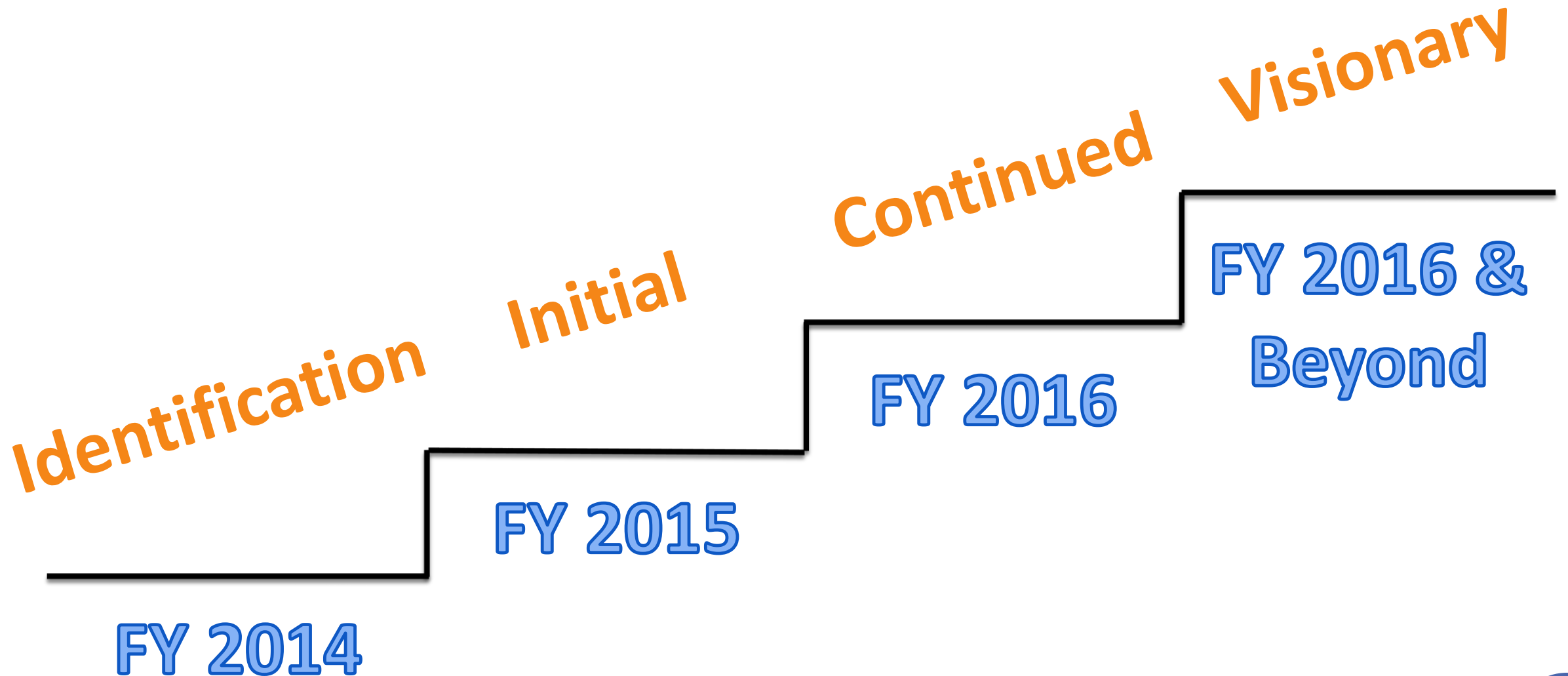
Lifelong Learning – Norfolk Public Schools

- Deliver on commitment to build six new schools
 - CIP funding planned for Maury High School renovations
 - Provide \$15 million of in-kind support to NPS
 - Continue funding Norfolk Public Schools at FY 2015 Level
 - Commit to work with Norfolk Public Schools to develop strategies to address its budget request
-
- Constructed and Planned Schools
- Crossroads K-8
 - Campostella
 - Broad Creek Area
 - Larchmont
 - Ocean View
 - Camp Allen

Lifelong Learning



Implementing Poverty Commission Recommendations



Poverty Commission – FY 2015 Recap

Four Priority Areas



Early Childhood Development



Youth Education and Pathways



Adult Workforce Development



Neighborhood Revitalization and Support

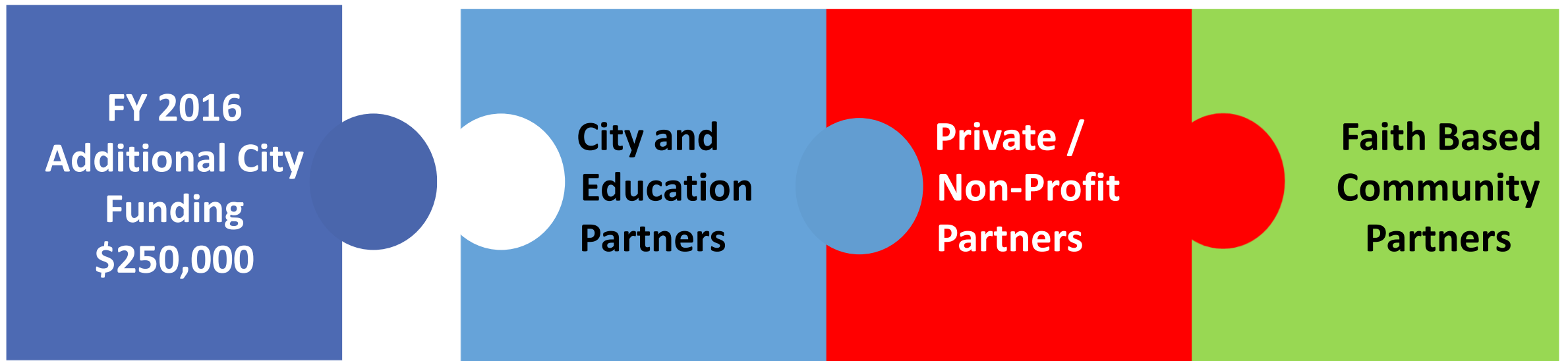


Initial Funding

\$500,000

Poverty Commission – Proposed FY 2016

City of Norfolk's support is one piece of the puzzle to combat poverty



Poverty Commission – FY 2016 and Beyond

- Norfolk Plan to Reduce Poverty recommends establishing a Housing Trust Fund
- Proposed FY 2016 Budget responds with:
 - \$1.0 million in seed money to establish a Housing Trust Fund
 - A challenge to our community partners



Building on our Vision

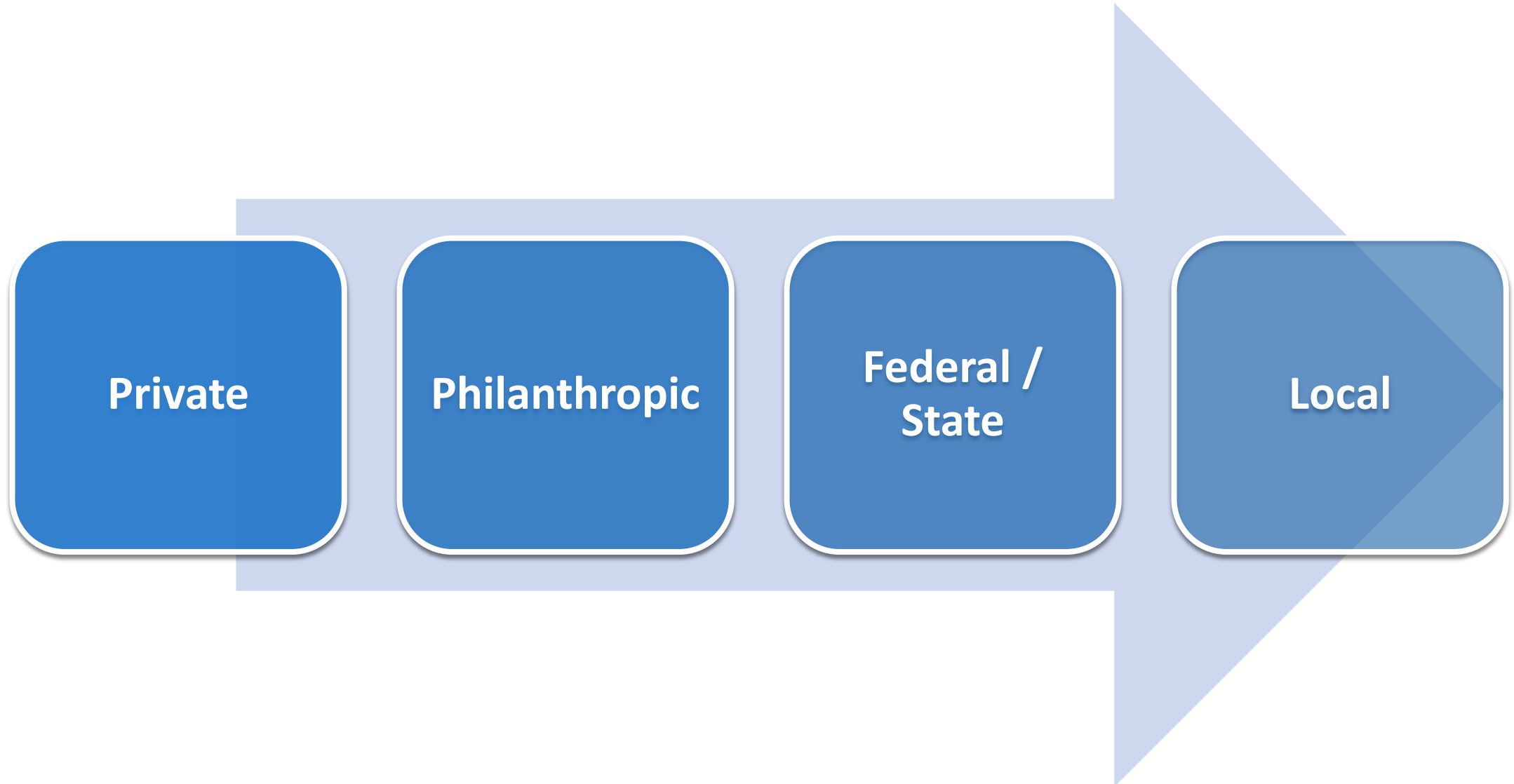


Career and Technical Education

Nothing is more important for our future



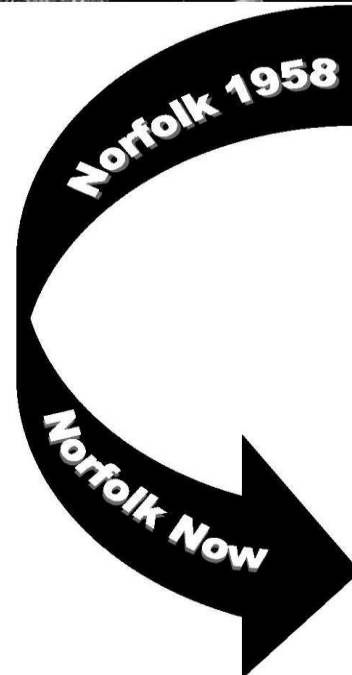
Career and Technical Education – How do we get there?



Proposed FY 2016 Budget: The Breakdown

Fund	Proposed Budget
General Fund	\$809,501,107
Enterprise Funds	\$133,696,707
Special Revenue Funds	\$58,319,152
Internal Service Funds	\$101,379,527
Total Operating Funds	\$1,102,896,493
Capital Improvement Plan	\$153,805,200
Total Operating and Capital Funds	\$1,256,701,693
Annual Plan for HUD Block Grants	\$5,346,976
Total Financial Plan	\$1,262,048,669

**We are creating an amazing community
where people desire to live, work, and play.**



NORFOLK – The entire city, not just downtown

VIBRANT AND HISTORIC PORT CITY – An active port for over 400 years

AMAZING PLACE – Norfolk has surprises around every corner

CULTURALLY DIVERSE CITIZENS – Living, working, and playing together

MILITARY AND BUSINESSES – With a shared passion to move Norfolk forward

CREATING - Makers and doers actively investing in building something great

DYNAMIC – Ever-evolving, growing as a community and city

AUTHENTIC – Neighborhoods, port culture, architecture, and parks

URBAN WATERFRONT – A natural asset that sets Norfolk apart from other cities

COMMUNITY – Making Norfolk a welcoming and accepting place for all

IN AMERICA – An aspiration to become a most preferred city and destination